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FM AMEMBASSY TOKYO
TO RUEHC/SECSTATE WASHDC IMMEDIATE 2979
INFO RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY
RUEHDX/MOSCOW POLITICAL COLLECTIVE PRIORITY
RUEHFK/AMCONSUL FUKUOKA PRIORITY 3998
RUEHNH/AMCONSUL NAHA PRIORITY 6328
RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 7800
RUEHKS/AMCONSUL SAPPORO PRIORITY 4529
RHEHAAA/NSC WASHDC PRIORITY
RUEKJCS/JOINT STAFF WASHINGTON DC PRIORITY
RHEHAAA/WHITE HOUSE WASHDC PRIORITY
RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY
RUCNDT/USMISSION USUN NEW YORK PRIORITY 5055
RUEKJCS/SECDEF WASHDC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RUCPDO/DEPT OF COMMERCE WASHINGTON DC PRIORITY
RHMCSUU/DEPT OF ENERGY WASHINGTON DC PRIORITY
RUALSFJ/COMUSJAPAN YOKOTA AB JA PRIORITY
RHMFISS/COMUSKOREA SEOUL KOR PRIORITY
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C O N F I D E N T I A L SECTION 01 OF 03 TOKYO 001107

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E.O. 12958: DECL: 05/15/2017
TAGS: [PREL](#) [PARM](#) [ENRG](#) [TRGY](#) [NRR](#) [MNUC](#) [PUNE](#) [JA](#) [RS](#)
SUBJECT: JAPAN-RUSSIA SIGN NUCLEAR COOPERATION PACT

REF: A. TOKYO 0667
[1](#)B. TOKYO 1081

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Classified By: Minister-Counselor for Political Affairs W. Michael Meserve. Reasons 1.4 (B) (D)

[1](#)1. (C) Summary. Nuclear cooperation and trade and investment, rather than the Northern Territories issue, dominated Prime Minister Vladimir Putin's May 11-13 Tokyo visit. The countries signed an historic accord on nuclear cooperation and agreed to expand economic and other cooperative efforts in several fields, including law enforcement coordination, fisheries management, and oil and gas exploration in the Russian Far East. Putin and Japanese Prime Minister Taro Aso agreed to put off discussion of the contentious Northern Territories issue until the July G-8 Summit - an arrangement which one leading Japan-Russia observer characterized as fostering the "illusion" of progress in Tokyo-Moscow relations. End Summary.

Economic, Business Focus

[1](#)2. (U) Russian Prime Minister Vladimir Putin's May 11-13 visit to Tokyo focused on steps to expand bilateral economic cooperation, but achieved no new breakthroughs on the political front, including resolution of the contentious Northern Territories issue, according to several leading Japanese media reports. During a busy May 12 schedule, the Russian leader met with Prime Minister Taro Aso, opposition Democratic Party of Japan leader Ochiro Ozawa, former Prime Ministers Yoshiro Mori and Junichiro Koizumi, delivered a speech to Japan's Keidanren business association, and met with leaders of Japan's three economic organizations,

including Keidanren President Fujio Mitarai. The two sides signed a series of agreements in several areas, including an accord governing cooperation in the peaceful uses of nuclear energy (septel), a pact to ease visa procedures, a customs duty mutual assistance deal, a legal mutual assistance pact, and separate Memorandum of Understandings (MOU) on trade and economic cooperation. (Post will report details of these arrangements septel.)

Nuclear Energy Pact

13. (C) The signing of a bilateral agreement on nuclear cooperation was the media highlight of the visit. The accord, which the two sides had been expected to confirm following several months of negotiations (Ref A), is designed to facilitate cooperation and trade in the field of civil nuclear power, including uranium and uranium enrichment services. MOFA officials highlighted the fact that Russia agreed, for the first time, to allow IAEA inspections at relevant facilities, a point press reports also emphasized. Foreign Ministry officials are pleased with provisions which allow Japan to suspend or halt cooperation if Moscow violates the agreement.

14. (U) After the signing of the agreement, the Ministry of Economy, Trade and Industry issued a joint statement with Russia's State Atomic Energy Corporation (ROSATOM) noting their intent to facilitate corporate cooperation. According to press reports, Japanese firms have already begun negotiations with Russian companies for nuclear business, and post will report these developments septel.

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Other Accords on Economic, Energy Cooperation

15. (U) The Foreign Ministry announced officials from both sides inked additional deals covering a broad range of topics, including:

- Cooperation in Energy Efficiency and Renewable Energy.
- Joint Statement on Peaceful Use of Nuclear Energy.
- Cooperation to Prevent Illegal, Unreported and Unregulated Fisheries and Smuggling of Marine Products.
- Cooperative Program Regarding Research on Environmental Conservation, Sustainability and Rational Use of the Ecosystem Surrounding Japan and Russia.
- Implementation of the Agreement Regarding Construction of Nuclear Reactors and Storage Facilities.

16. (U) Agreements and MOUs between other governmental organizations included:

- Japan Oil, Gas, and Metals National Corporation (JOGMEC)-Irkutsk Oil and Gas Exploration Agreement
- Nippon Export Insurance (NEXI)-Russian Bank for Development and Foreign Economic Affairs (VEB) Memorandum of Understanding.
- Japan Bank for International Cooperation (JBIC)-VEB Memorandum of Understanding.

Political Subjects Delayed

17. (U) Aso and Putin agreed to leave talks on political

topics, especially the dispute over the Northern Territories issue, for the Japanese leader to discuss with President Dmitry Medvedev on the margins of the July 2009 G-8 Summit in Italy. Even before he arrived, PM Putin set about lowering expectations he and Aso would find common ground on the disagreement, telling Japanese media that conditions had not yet been met for Russia and Japan to achieve a breakthrough on the issue. Putin was quoted as saying "It is necessary (for the two countries) to prepare the conditions, to develop the relations in all directions" ahead of the visit. He added, "In order to resolve such high-level and difficult problems, it is necessary to show patience."

18. (U) Putin's uncooperative stance disappointed the Japanese. Yomiuri, Japan's largest daily, reported that "Pundits give thumbs down to progress on territorial issue during Putin visit," (Ref B) echoing the sentiments of many analysts who felt let down by Putin's approach, including former Japanese Ambassador to Russia Minoru Tamba. Tamba noted that the nuclear accord carried "significance," but with regard to "the most crucial issues of resolving the Northern Territories row and concluding a peace treaty, the statement was dotted with only some expressions that were used in past summits. No progress was made."

Grand Illusion

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19. (C) Aoyama Gakuin University Professor Shigeki Hakamada, a leading Japan-Russian relations expert, told Embassy Tokyo the Putin visit permitted both sides to project the "illusion" that progress on the Northern Territories was being made, when in fact, neither side is in a position to compromise. In Hakamada's view, a final settlement will require individual leaders in both countries who are strong, powerful, and confident enough to overcome domestic constituencies opposed to compromise. Putin lacks the ability to overcome nationalistic forces within the Russian military and security establishment opposed to giving up even one centimeter of territory, Hakamada asserted. Aso's political position remains perilous, as his ruling Liberal Democratic Party (LDP) hangs on the verge of being removed from power by the DPJ in elections that must take place no later than September. At the same time, Tokyo and Moscow view each other as essential to pursuing policies aimed at diversifying their respective energy and economic bases. As a result, Hakamada concluded, neither leader can afford to risk appearing to close the door to compromise on the Northern Territories issue.
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